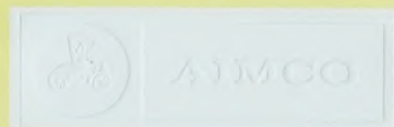


AR36



AIMCO
INDUSTRIES
LIMITED

ANNUAL
REPORT
1969



1



2



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4



1. Dixie Road, Plant No. 1. 60,000 sq. ft. manufacturing, production control and marketing.
2. Dixie Road, Plant No. 2. Executive Offices, 84,000 sq. ft. remanufacturing and warehousing.
3. U.S. Offices, Buffalo, N.Y. 30,000 sq. ft. manufacturing, warehousing and wholesaling.
4. The new St. Catharines brake drum facility is located in a modern steel and brick building of 23,000 sq. ft.


Highlights:

	1969	1968
Sales	\$15,085,044	\$11,546,216
Net income	\$ 976,270	\$ 415,583
Earnings per common share	\$ 1.40	\$.69
Number of shares outstanding	753,533	605,661
Working capital	\$ 2,163,544	\$ 2,760,274
Total assets	\$13,225,676	\$ 7,879,631

Directors

Nathan Goodman
 Irving B. Goodman
 William F. Purves
 Harry L. Mendelson, Q.C.
 Winfield A. Green

Officers

Nathan Goodman – Chairman of the Board
 Irving B. Goodman – President and Treasurer
 Samuel Goodman – Secretary

Other Management

R. Milrod – Vice President Manufacturing and
 Manager, Ralph Milrod Metal Products Limited
 W. Green – Executive Vice President, Aimco Automotive
 Industries of Buffalo, Inc.

Auditors

Thorne, Gunn, Helliwell & Christenson

Registrar, Transfer Agent and Trustee

National Trust Company Limited,
 Toronto, Montreal, Winnipeg, Calgary, Vancouver
 Shares listed on the Toronto Stock Exchange

Head Office

5150 Dixie Rd., Cooksville, Ontario

Divisions

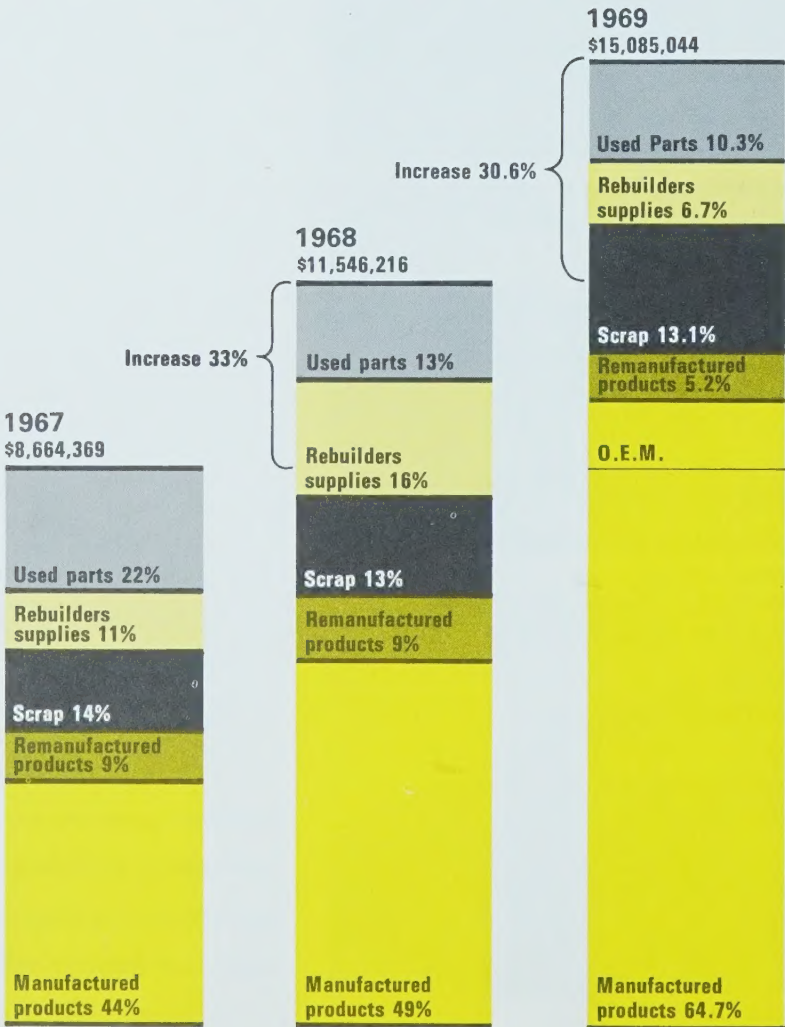
Amalgamated Iron and Metal Company
 Aimco Automotive Industries

Subsidiaries

Aimco Automotive Industries of Buffalo, Inc.,
 Buffalo, New York
 Ralph Milrod Metal Products Limited, Toronto
 Seaway Salvage, Inc., Buffalo, N.Y.
 636 Babcock Street, Inc., Buffalo, N.Y.

Growth and diversification

These bar charts show the comparison in total sales and make up of sales by classification for the twelve month periods ending July 31, 1967, July 31, 1968, and July 31, 1969. Sales of companies acquired are included as of date of acquisition. The bar chart on the right represents the forecast for 1970 showing the same classifications, respectively.



Report of the Board of Directors to the Shareholders



Irving B. Goodman



Nathan Goodman

Results for the year ended July 31, 1969 show that steps taken to increase production and to improve efficiency have led to greater profits and deeper penetration of both North American and world markets.

Operating results

Total sales of all Aimco operations and subsidiaries reached \$15,085,044 representing an increase of 31½% over \$11,546,216 for the preceding 12 months. Included in the increased sales are those of Ralph Milrod Metal Products Limited for the six months since acquisition amounting to \$1,672,000.

Sales of manufactured products, which showed the greatest growth, increased from \$5,657,645 to \$9,760,023.

Consolidated net income after tax for the year ended July 31, 1969 amounted to \$976,270 compared to \$415,583 for the prior year representing a return on sales of 6.4% in the year ended July 31, 1969, compared to 3.6% on sales in the previous year.

Per share earnings increased to \$1.40 from \$0.69. If Ralph Milrod had been owned throughout the entire 1969 fiscal year, earnings per share would have equalled \$1.58.

Capitalization

The overall growth in sales shown on the opposite page, expansion of production facilities described elsewhere in the report, along with the acquisition of Ralph Milrod Metal Products Limited were carried out during the fiscal year despite the tight money situation which deferred some other plans. During the year at a special meeting of debenture holders, the provisions of the Trust Indenture securing the Series A debentures were adjusted to permit additional debt financing.

Acquisitions and New Products

The acquisition of Ralph Milrod Metal Products Limited brought many benefits. Of these the manufacture of components for Aimco and the integration of engineering, tool

designs, purchasing and personnel control are the most significant. Plans for the expansion of O.E.M. product sales will contribute a larger proportion of the Company's total volume and profit.

During 1969, negotiations to acquire an automotive parts manufacturing company in the friction materials field were started and subsequently discontinued. The Company is still interested in acquisitions of this nature. A new operating division was established, subsequent to July 31, in St. Catharines, Ontario to coin, pierce and machine brake drums; operations previously performed by outside suppliers. This means better control of quality, customer service and margin of profit.

The Company has enjoyed a constructive and fruitful year. We appreciate the continued loyalty and sincere efforts of all employees contributing to this result. We continue to enjoy favourable labour-management relations supported by contracts with the unions covering direct labour employees.

We look forward to the continued upward trend shown by the figures in this report.

PRESIDENT

CHAIRMAN OF THE BOARD

CORPORATE OBJECTIVES

During the fiscal year July 31, 1968 to July 31, 1969 the operating structure of Aimco Industries Limited was altered and expanded. This was carried out to achieve both immediate and long range growth objectives after a careful study of the overall business potential of the markets we serve.

The result is a rigid division of all activities into a line and staff organization structured around specific profit centre responsibilities.

AUTOMOTIVE DIVISION

AIMCO is the trade name applied to a large part of the automotive products sold by the company. It is used in packaging, cataloguing, merchandising, advertising, selling – in all phases of marketing from manufacturer to end user. Products manufactured by wholly-owned subsidiaries are usually marketed under the identification of those companies.

The Automotive Division operations are divided into four departments; manufactured products, remanufactured products, rebuilder's supplies and used parts.

The Aimco fleet of trucks serves the Toronto and Montreal market areas and keeps the Buffalo operation supplied for distribution in the United States.

The largest share of the sales of this division consists of brake shoes and brake drums. The manufacture of unlined brake shoes utilizes the greatest proportion of the Company's productive assets and direct labor, contributing 38% to gross sales. The Company's share of the market for brake drums and brake shoes continues to increase because of the installation of advanced automated equipment, manufacturing "know-how", strict quality control and improved operating efficiency. Aimco continues to be the leading Canadian supplier of these essential automotive parts for the aftermarket.

MANUFACTURED PRODUCTS

Unlined Brake Shoes

Unlined brake shoes production is conducted at the Dixie Road plant in Mississauga. The output of this operation was expanded during the year by 50% through the installation of more advanced welding equipment and new, highly-specialized presses. Monthly production of brake shoes and discs has increased from 981,000 units to 1,487,000

units. This substantial increase in production was generated by a modest increase of 20% in direct labour, thereby contributing materially to profits.

Brake Drums

The cast iron brake drum with steel insert web, marketed by Aimco since 1963, is our second most important manufactured product. The castings are purchased from reputable foundries, and machined to the original equipment manufacturers' (O.E.M.) standards in our own St. Catharines and Buffalo facilities.

Brake drum manufacturing is supervised by a general manager who has had over 25 years of experience in this highly specialized field. During the current fiscal year this operation is expected to reach peak efficiency, providing complete control of all our production in a plant which is the most modern facility for machining and finishing brake drums in Canada.

Disc Brake Pads

In keeping with the increased use of disc brakes as original equipment in new automobiles, Aimco has installed a disc pad production line. This new installation will produce 10 million disc pads per year. In this way the Company will take a larger percentage of the over-all brake parts business.

REMANUFACTURED PRODUCTS

This department utilizes 1,200 sq. feet at Dixie Road for manufacturing, assembling and warehousing. Rocker arm assemblies and kits, rebuilt starter drives parts, clutch, water pump parts, oil pump kits, oil pumps and other miscellaneous items for sale in Canada, the U.S. and internationally, are the major items marketed by this department. Products are attractively packaged in the distinctive black and yellow Aimco box which clearly identifies the "traditionally dependable" quality which has made Aimco one of the leaders in this profitable automotive market.

REBUILDER'S SUPPLIES

Operations are located at Dixie Road in a new warehouse completed during the year. Because of the nature and scope of this phase of our business a large floor space is required to keep on hand the assorted inventory necessary to meet the varied needs of our many regular customers throughout the world.

EXPORT AND INTERNATIONAL DIVISION

This division of Aimco Industries Limited was set up during 1968 as a means of expanding sales in markets outside Canada and the United States. As a result of the new organizational set up and the intensified sales effort, sales have increased substantially.

A major responsibility of this division is to find sources for parts and assemblies in countries other than Canada and the United States. It has been successful, particularly in procuring supplies for the rebuilder's market, from Northern Ireland.

To continue this growth pattern and capitalize more fully on the potential of export markets, we have appointed an international sales organization headquartered in New York City with a world-wide staff of some 80 automotive sales experts operating from four strategically located offices.

RALPH MILROD METAL PRODUCTS LIMITED

This wholly owned subsidiary, acquired in January 1969, is an autonomous operation located at 131 McCormack Street, Toronto, Ontario, with a sales volume of \$3,500,000. Milrod's activity, in contrast to Aimco, is confined to the manufacturing and sale of products to vehicle assemblers — automotive manufacturers usually referred to as the O.E.M. market.

Ralph Milrod Metal Products is a self-contained operation with a highly-skilled technical, production and sales staff. This company enjoys an established reputation as a leading supplier of sophisticated automotive stampings and welded assemblies.

More than 50% of Milrod's production consists of dashboard panels used by General Motors and Ford. A variety of other specialty stampings and welded assemblies account for the remaining volume of this important acquisition.

AMALGAMATED IRON AND METAL

The Canadian portion of our secondary scrap metal and engine stripping operations was reorganized as a separate operating division under a general manager with complete autonomy over all aspects of the business.

Operating equipment of this division consists of load-luggers, trucks, cranes, shears, balers and other specialized handling and processing equipment.

During the year the engine stripping operation was in-

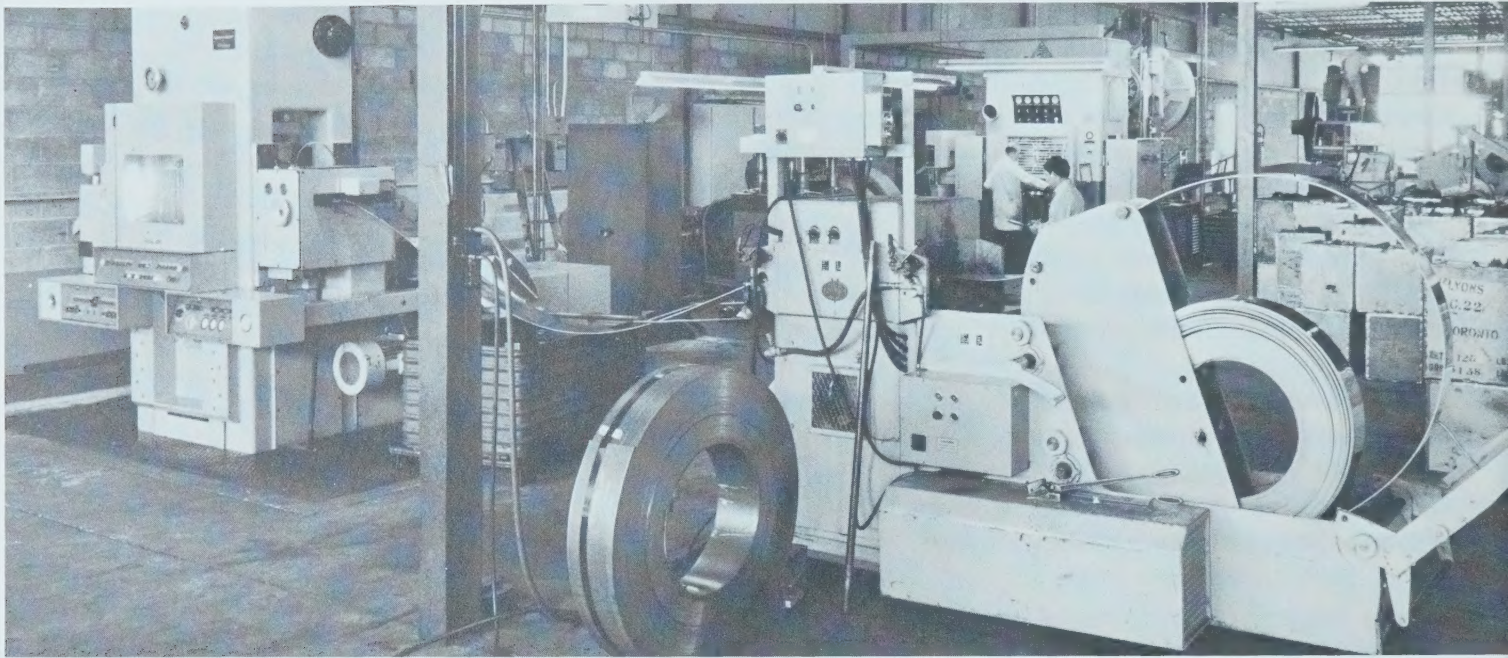
creased. At Dufferin Street, engines are dismantled and the rebuildable components, crankshafts, starters, generators, oil pumps, rocker arms, clutch parts and other parts are prepared for resale.

UNITED STATES SUBSIDIARIES

The market for automotive parts existing in the United States is generally recognized as 10 to 12 times greater than the available Canadian market. Market surveys have established that Canadian-made products are assured ready acceptance on the basis of design and quality. To solve the inconvenience occasioned by border-crossing procedures, Aimco Automotive Industries of Buffalo, Inc., was established several years ago to handle the import, warehousing, shipment and billing of Canadian-made goods to the United States market. A manufacturing facility was also established to assure a continuance of growth through greater penetration of this large market.

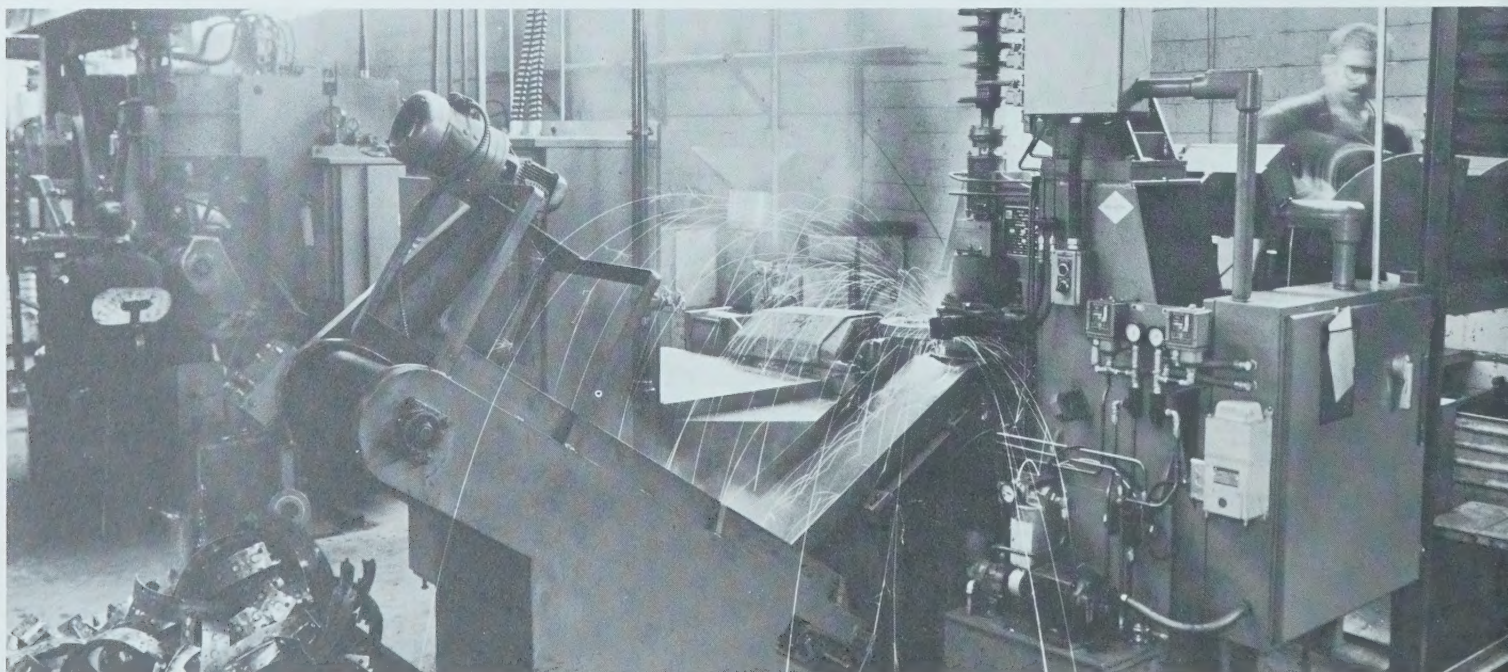
Seaway Salvage, Inc., Buffalo, operates an engine stripping operation, supplying used automotive parts to the automotive parts rebuilding industry. 636 Babcock Street, Inc., is a real estate holding company also located in Buffalo, N.Y.

The sales of these United States subsidiaries have expanded and in 1969 represented more than one half of consolidated sales of the Company. To date, sales activity in the U.S. is directed by Canadian sales personnel operating from Dixie Road headquarters, Mississauga. Steps are under way to establish a complete U.S. sales organization with headquarters in Buffalo.



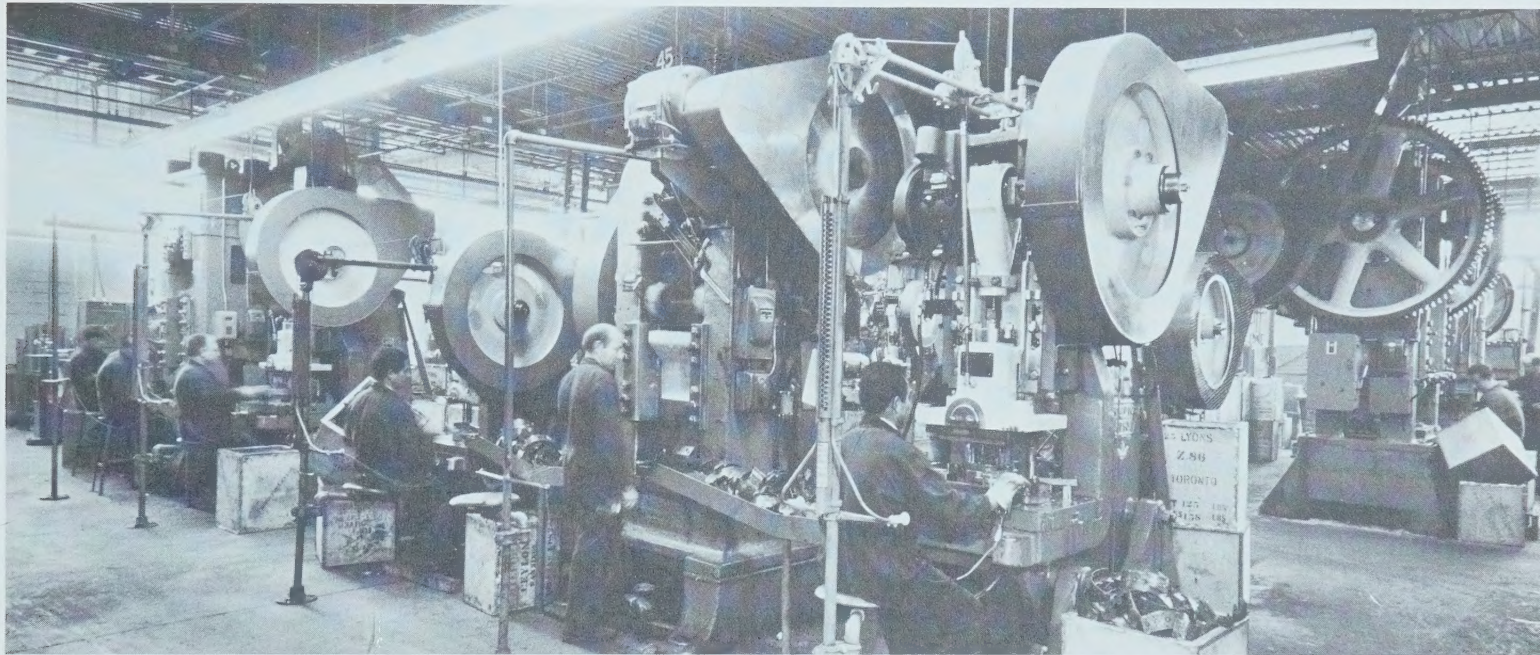
Considerable effort and investment has been expended during the current year on an ultra modern facility to produce disc pads for automotive disc brakes. This new production line, as illustrated above, includes two fine flow presses which blank, form, pierce, shave and coin disc pads in one stroke of the press, discharging finished parts into

tote boxes. An under-the-floor belt conveyor scrap discharge system carries the scrap out of the building and into load-lugger containers. One supervisor can run the entire operation, which at 80% capability, can produce 10 million disc brake pads per year in approximately 20 different types.



A major factor in the outstanding quality of Aimco brake shoes is the ultra-modern welding equipment used to weld the two portions of the brake shoe into one integral unit. One of the battery of magazine fed

automatic welders is illustrated above. Each machine requires only one operator and can produce 900 pieces per hour.



During the current fiscal year, in the interest of increased productivity and lower cost, the brake shoe stamping plant facilities have been re-arranged. Brake shoes are now produced, as illustrated, on self-contained mass-production lines. Commencing at the left of the line, the web and platform portions of the brake shoe are magazine fed to

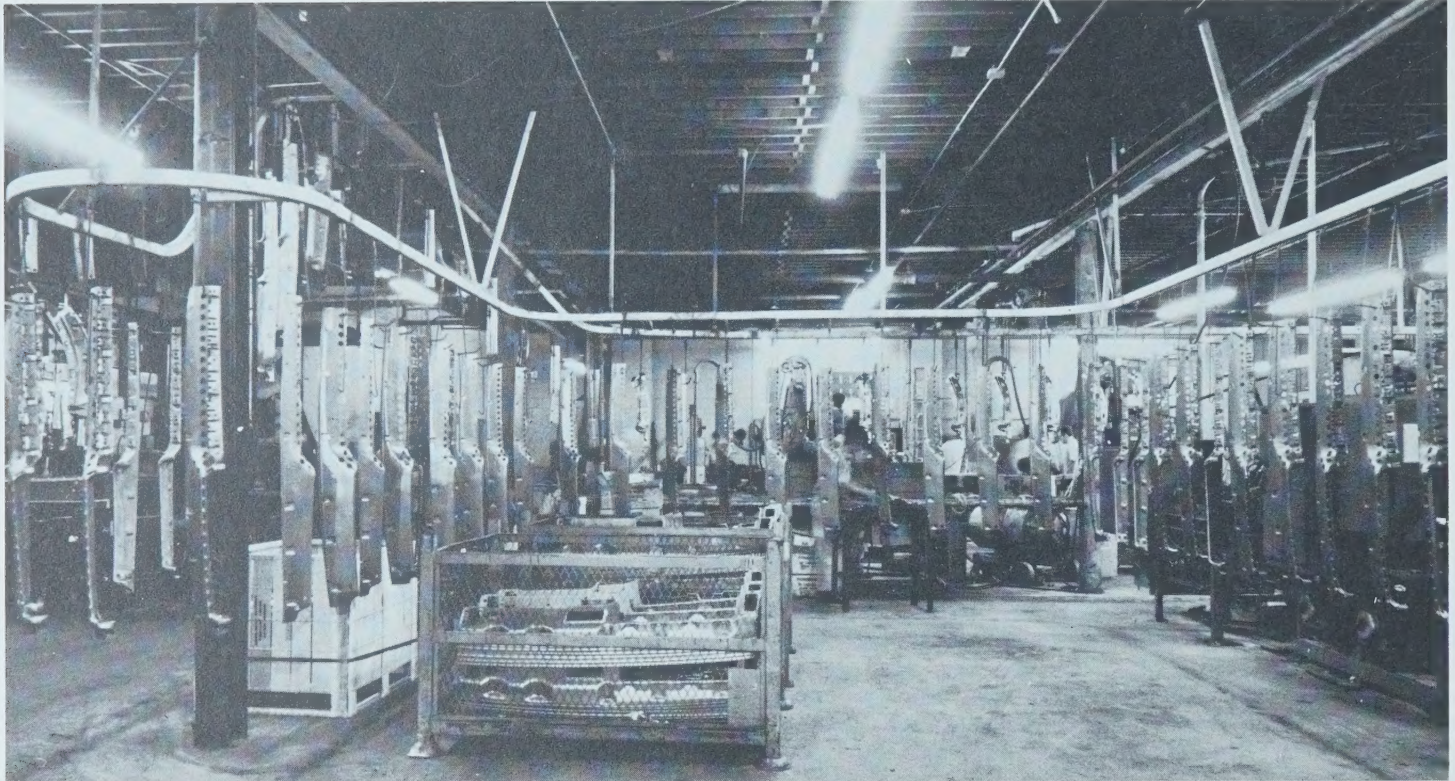
an automatic welder; from the automatic welder, the shoes are then gravity fed to a series of presses which over-strike, form, pierce, shave and coin. The production floor consists of six separate groupings, each independent of the other. This re-arrangement materially reduces handling cost and improves efficiency.



A substantial portion of the automotive parts produced at Aimco are sold throughout the world as the Aimco Line in the Aimco package, distinctively designed for immediate product and brand identification.



Drums, water pumps, regulators, rocker arms, alternators and starter parts are shown here being packaged for shipment to customers located across Canada, the United States and abroad.



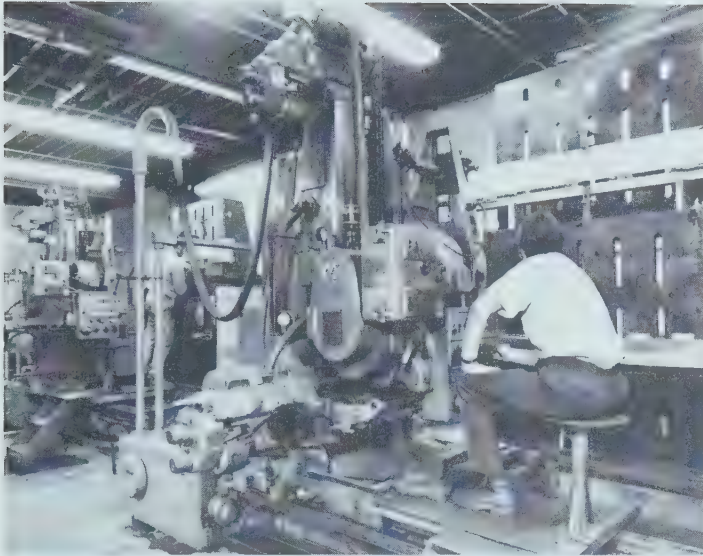
The Ralph Milrod Metal Products highly automated mass production facility showing the portion of the in-process-storage conveyor which runs from the automatic cleaning and phosphating machine to the packing department. In this picture, the line is conveying Chevrolet dashboards.



A tool and die maker is shown polishing a critical radius on the punch half of a die used to form and pierce the dashpanel section for a 1970 model.



A quality control inspector makes continuous spot checks on the many control points involved in a completed stamped and welded assembly used in a Fairlane passenger vehicle.



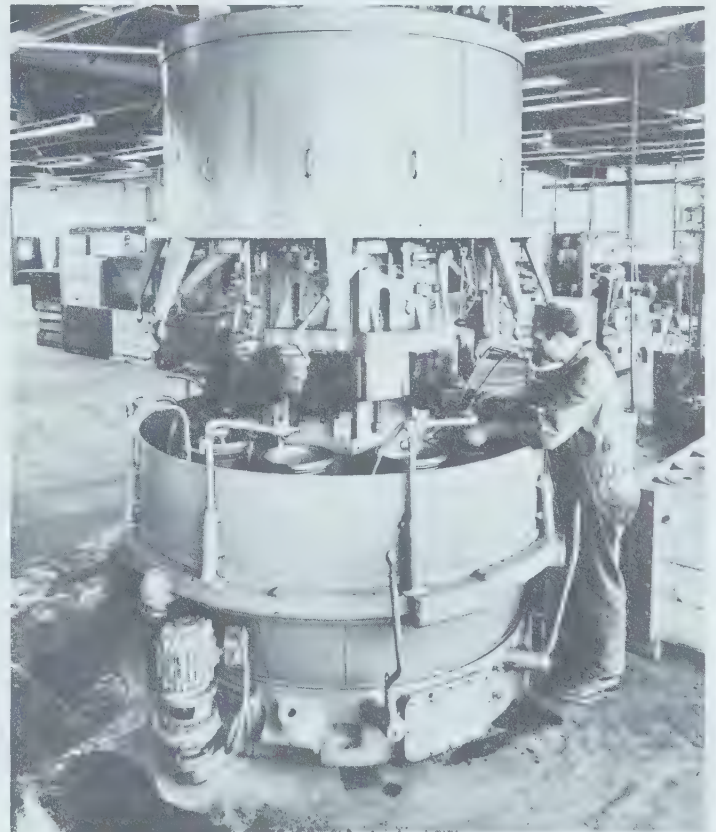
Keller profile machines used at Ralph Milrod Metal Products to cut the large dies used for producing dashpanels. The cutting tool on the lower spindle accurately reproduces the exact contour which is fed into the automatic controls of the machine to reproduce every detail of the master pattern mounted on the upper portion of the picture. These remarkably precise machines are an important part of the Ralph Milrod Products operation.



A portion of the extensive stamping facilities including 600 ton presses capable of handling stampings 72" x 48" in dimension. Each press in the line performs a separate operation and the parts are passed by the operator from his press to the next in sequence.



This is a view of one of the production lines where the workmen weld the stamped assemblies on multi-electrode automatic electric welders. The fixtures on these welders carefully align the various parts before welding.



Top: New automatic multi-spindle lathes and presses recently installed in the St. Catharines facility. This equipment has been installed on a production line to coin, pierce, machine and finish automotive brake drums. This equipment is capable of producing 200,000 automotive brake drums per year and is being expanded to produce 400,000 brake drums per year.

Bottom: The major unit of St. Catharines drum machining equipment is a Bullard multi-matic vertical 9-spindle lathe which automatically machines 525 pieces per hour.

The secondary scrap metal processing industry is largely a matter of service. Amalgamated Iron and Metal maintains a fleet of modern load-luggers as illustrated. This vehicle with three scrap containers can transport 60 tons of material in one load.



Aimco's excellent growth record can be attributed to foresight in recognizing the need for outstanding delivery service. For this reason the company operates a substantial fleet of vehicles both in Canada and the U.S. This fleet, part of which is shown above, is made up of over-the-highway tractor trailer combinations which are available for nationwide service from Vancouver to Halifax. This means Aimco can provide truck load shipments to large customers across Canada. Two truck load runs per day transport Canadian manufactured automotive products to the Buffalo warehouse for redistribution to the U.S. market. A small panel van, chauffeur driven, provides emergency service to local customers. To create good employee relations and promote staff efficiency, the company owns two 47 passenger buses which transport factory workers from downtown Toronto directly to the Mississauga plant. By augmenting the service of commercial carriers and public transportation in this way we have been able to build better customer service and improve in-plant operation.



Consolidated Statement of Income

Year Ended July 31, 1969 (with comparative figures for 1968)

Aimco Industries Limited and subsidiary companies

	1969	1968
Sales	\$15,085,044	\$11,546,216
Costs and operating expenses other than depreciation and interest . .	12,264,267	10,305,310
Depreciation	304,504	204,321
Interest on long term debt	170,303	128,704
Other interest	208,756	100,682
	<u>12,947,830</u>	<u>10,739,017</u>
Income before income taxes	2,137,214	807,199
Income taxes		
Current	1,026,926	377,501
Deferred	134,018	14,115
	<u>1,160,944</u>	<u>391,616</u>
Net income for the year	<u>\$ 976,270</u>	<u>\$ 415,583</u>
Earnings per share	\$1.40	\$.69

Consolidated Statement of Retained Earnings

Year Ended July 31, 1969 (with comparative figures for 1968)

	1969	1968
Balance at beginning of year	\$ 982,070	\$ 730,847
Adjustment of inventory of subsidiary company acquired as at August 1, 1967 to eliminate inter-company profit at date of acquisition		48,882
	<u>982,070</u>	<u>681,965</u>
Net income for the year	976,270	415,583
	<u>1,958,340</u>	<u>1,097,548</u>
Debenture discount and issue expenses less income taxes of \$16,000 applicable thereto		115,478
Balance at end of year	<u>\$ 1,958,340</u>	<u>\$ 982,070</u>

Consolidated Balance Sheet – July 31, 1969

(with comparative figures at July 31, 1968)

Aimco Industries Limited and subsidiary companies
(Incorporated under the laws of Ontario)

Assets	1969	1968
<i>Current Assets</i>		
Cash	\$ 203,880	\$ 58,745
Accounts receivable	3,254,229	2,330,552
Receivable from a shareholder	53,100	84,444
Inventories, at lower of cost and net realizable value	4,685,725	3,173,553
Prepaid expenses and deposits	135,079	64,517
	<u>8,332,013</u>	<u>5,711,811</u>
<i>Fixed Assets, at cost</i>		
Land	147,323	130,032
Buildings.	1,277,705	1,173,080
Machinery and equipment	3,590,650	1,806,445
	<u>5,015,678</u>	<u>3,109,557</u>
Less accumulated depreciation	<u>1,680,821</u>	<u>941,737</u>
	<u>3,334,857</u>	<u>2,167,820</u>
<i>Other Assets</i>		
Excess of cost of shares of subsidiary over book value at date of acquisition	1,530,725	
Mortgage receivable	28,081	
	<u>1,558,806</u>	
	<u>\$13,225,676</u>	<u>\$ 7,879,631</u>

Approved by the Board

Irving B. Goodman, Director

12 Winfield A. Green, Director



Liabilities	1969	1968
<i>Current Liabilities</i>		
Bank advances (secured)	\$ 3,098,995	\$ 1,200,100
Accounts payable and accrued liabilities	1,948,947	1,265,860
Taxes payable	939,565	360,834
Loan payable	50,000	50,000
Principal due within one year on long term debt	130,962	74,743
	<u>6,168,469</u>	<u>2,951,537</u>
<i>Long Term Debt, non-current portion (note 2)</i>	<u>2,300,522</u>	<u>2,591,706</u>
<i>Deferred Income Taxes (note 3)</i>	<u>148,133</u>	<u>14,115</u>
<i>Shareholders' Equity</i>		
Capital stock (note 4)		
Authorized—2,000,000 shares without par value		
Issued — 753,533 shares (1968—605,661 shares)	2,650,212	1,340,203
Retained earnings (note 5)	<u>1,958,340</u>	<u>982,070</u>
	<u>4,608,552</u>	<u>2,322,273</u>
	<u>\$13,225,676</u>	<u>\$ 7,879,631</u>

Auditors' Report

Thorne,
Gunn,
Helliwell
& Christenson

CHARTERED ACCOUNTANTS

To the Shareholders of Aimco Industries Limited

We have examined the consolidated balance sheet of Aimco Industries Limited and subsidiary companies as at July 31, 1969 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Aimco Industries Limited included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the subsidiary companies.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at July 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne, Gunn, Helliwell & Christenson

Chartered Accountants

Consolidated Statement of Source and Application of Funds

Year Ended July 31, 1969 (with comparative figures for 1968)

Aimco Industries Limited and subsidiary companies

	1969	1968
<i>Source of funds</i>		
Operations		
Net income for the year	\$ 976,270	\$ 415,583
Items not involving current funds		
Depreciation	304,504	204,321
Deferred income taxes	134,018	14,115
	<u>1,414,792</u>	<u>634,019</u>
Issue of shares (note 4)	1,310,009	1,339,683
Issue of debentures		1,900,000
Other long term debt issued and assumed	297,836	488,919
Working capital of businesses acquired	691,384	642,870
Disposal of fixed assets	20,392	16,750
Decrease in mortgage receivable.	1,257	
	<u>3,735,670</u>	<u>5,022,241</u>
<i>Application of funds</i>		
Cost of businesses acquired	2,507,500	1,302,887
Investment in fixed assets	1,235,880	1,448,248
Reduction in non-current portion of long term debt	589,020	108,109
Debenture issue expenses, less income taxes		15,478
	<u>4,332,400</u>	<u>2,874,722</u>
Increase (decrease) in working capital	(596,730)	2,147,519
Working capital at beginning of year	<u>2,760,274</u>	<u>612,755</u>
Working capital at end of year	<u>\$ 2,163,544</u>	<u>\$ 2,760,274</u>

Notes to Consolidated Financial Statements, July 31, 1969

Aimco Industries Limited

1. Basis of Consolidation and Currency Conversion

The consolidated financial statements include the accounts of all subsidiary companies, all of which are wholly owned. The principal operating subsidiaries are Ralph Milrod Metal Products Limited, Aimco Automotive Industries of Buffalo, Inc. and Seaway Salvage Inc.

In the consolidation all inter-company transactions including inter-company profits in year end inventories have been eliminated, and income taxes applicable to inter-company profits have been charged to deferred income taxes (note 3). Revenues and expenses of Ralph Milrod Metal Products Limited, acquired on January 31, 1969, have been included from that date.

The statements of the United States subsidiaries have been translated into Canadian dollars on the following basis: current assets and current liabilities at the exchange rate prevailing at July 31, 1969; fixed assets (including depreciation thereon) at the rates prevailing at the dates of purchase; long term debt and capital stock at the rates prevailing at the dates of issue; revenue and expenses other than depreciation provisions at the average rates of exchange during the year.

2. Long Term Debt, non-current portion

<i>Aimco Industries Limited</i>	1969	1968
Equipment contracts payable (secured)	\$ 213,884	\$ 19,147
7½% Mortgage due 1971	87,339	97,850
7½% Mortgage due 1977	104,345	114,578
7% Mortgage due 1984	143,094	148,702
7½% Convertible debentures Series A due 1988	1,519,000	1,963,000
<i>Aimco Automotive Industries of Buffalo, Inc.</i>		
8% Note (secured by mortgage) due 1982 (U.S. \$116,163)	125,456	131,376
3½% Note (secured by mortgage) due 1982 (U.S. \$72,549)	78,262	83,072
<i>636 Babcock Street, Inc.</i>		
6% Note (secured by mortgage) due 1976 (U.S. \$27,084)	29,142	33,981
	<u>\$2,300,522</u>	<u>\$2,591,706</u>

3. Deferred Income Taxes

Deferred income taxes arise as the companies claim depreciation for income tax purposes in excess of that charged to income and also from investment credits (U.S. subsidiary companies) which will be taken into income over the estimated life of the fixed assets involved. Deferred income taxes have been reduced by the income tax applicable to inter-company profits in year-end inventories.

4. Capital Stock

The company issued the following shares during the year ended July 31, 1969:

- (a) 75,000 shares for \$843,750 as partial consideration for the investment in a subsidiary company;
- (b) 67,932 shares for \$441,558 on conversion of debentures; and
- (c) 4,940 shares for cash of \$24,700 on exercise of employee stock options.

At July 31, 1969 options were outstanding on 41,960 shares at prices ranging from \$5.00 to \$16.20 per share. The last of these options expires in 1974.

232,407 shares have been reserved for issue upon the conversion of the 7½% Convertible Sinking Fund Debentures Series A and 41,960 shares for issue on the exercise of employees' stock options.

5. Dividend Restrictions

The trust indenture under which the debentures are issued contains certain provisions which may restrict the payment of dividends. At July 31, 1969 there was no portion of retained earnings available for the payment of dividends under the most stringent of these provisions.

6. Depreciation

Depreciation has been computed on a straight line method on substantially all of the depreciable assets.

7. Remuneration of Directors and Senior Officers

The aggregate direct remuneration of directors and senior officers of the company was \$178,736 (1968 \$217,345).



Modern data processing is used to improve efficiency in all aspects of Aimco's operations including production, inventory control, payroll and billings. The above are typical of installations in Buffalo and at head office in Mississauga.



O.E.M.
Metal stampings
for the original
equipment
manufacturers

Brake Parts
Unlined Shoes
Truck Shoes
Disc Plates
Drums

**Water Pump
Parts**
Impellers
Hubs
Bodies

Clutch Parts
Covers
Pressure Plates
Diaphragms
Levers
Discs and Parts

Engine Parts
Oil Pump Kits
Oil Pumps
Rocker Arm
Assemblies
Rocker Arm Parts

Electric Parts
Starter Drive
Str. Drive Parts
Gen. Pulleys
Alternators



AIMCO INDUSTRIES LIMITED

Notice of Annual Meeting of Shareholders

THURSDAY, JANUARY 9, 1969

NOTICE is hereby given that the Annual Meeting of the Shareholders of AIMCO INDUSTRIES LIMITED (hereinafter called the "Company") will be held in the Alberta Room of the Royal York Hotel, 100 Front Street West, Toronto, Ontario, on Thursday, the 9th day of January, 1969, at 2.00 o'clock in the afternoon (Toronto time) for the following purposes:

1. To receive and consider the consolidated financial statements of the Company and its subsidiaries for the year ended July 31, 1968 together with the reports of the auditors and directors thereon;
2. To elect directors;
3. To appoint auditors and to authorize the directors to fix their remuneration; and
4. To transact such further and other business as may properly come before the meeting or any adjournment or adjournments thereof.

An information circular is annexed hereto and a copy of the annual report of the Company for the year ended July 31, 1968 together with a form of proxy are enclosed herewith.

If you are unable to attend the meeting in person, kindly sign and return the accompanying form of proxy in the stamped envelope enclosed for that purpose.

DATED the 19th day of December, 1968.

BY ORDER OF THE BOARD,

SAMUEL GOODMAN,
Secretary

AIMCO INDUSTRIES LIMITED

Information Circular

Solicitation of Proxies

This information circular is furnished in connection with the solicitation by the management of AIMCO INDUSTRIES LIMITED (the "Company") of proxies to be used at the Annual Meeting of Shareholders of the Company to be held on Thursday, the 9th day of January, 1969, and at any adjournments thereof, for the purposes set forth in the foregoing notice of meeting. The management of the Company does not contemplate a solicitation of proxies otherwise than by mail. The cost of solicitation will be borne by the Company.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are directors and officers of the Company. **A shareholder has the right to appoint some other person to represent him at the meeting and may do so either** (i) by inserting such person's name in the blank space provided in the form of proxy and striking out the printed names or (ii) by completing and depositing another proper form of proxy. A person appointed as proxy need not be a shareholder of the Company. To be valid, a proxy should be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney duly authorized. A proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the head office of the Company before the same is used.

Exercise of Discretion by Proxies

A proxy in the form accompanying this Information Circular which is properly executed, duly returned to the management of the Company and not revoked, will be voted in accordance with the instructions contained therein, provided, however, that if the aggregate number of shares of the Company represented at the meeting by proxies required to be voted against a particular matter carries less than 5 per cent of the voting rights attached to the shares of the Company entitled to vote and represented at the meeting, the Chairman of the meeting will have the right not to conduct a vote by way of ballot on any such matter or matters unless a poll is demanded at the meeting. **In the absence of a direction to the contrary proxies in the accompanying form will be voted FOR the approval of the financial statements and the reports of the auditors and directors thereon.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. As of the date of this circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting. However, if any such matters properly come before the meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their judgment on such matters.

Voting at the Meeting

There are presently outstanding 654,053 shares without par value in the capital of the Company. Each shareholder of record at the time of the meeting will be entitled to one vote at the meeting for each share held. Management is advised that the following are the names of the only persons or corporations who beneficially own, directly or indirectly, more than 10% of the shares of the Company:

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Percentage of outstanding shares so owned</u>
Nathan Goodman	123,250	18.81%
Irving Birrell Goodman	120,250	18.35%
Carl Goodman	84,000	12.84%
Samuel Goodman	66,000	10.09%

Election of Directors

Each director elected at the meeting will hold office until the next annual meeting of shareholders and until his successor is elected or appointed, unless his office is earlier vacated in accordance with the provisions of the by-laws of the Company. It is the intention of the persons named in the accompanying form of proxy to vote for the election as directors of the Company of the persons listed below. All of the persons listed below are presently directors whose terms of office will expire at the time of the meeting. Management does not contemplate that any of the said persons will be unable to serve as a director, but should this occur for any reason prior to the meeting, it is the intention of the persons named in the accompanying form of proxy to vote for another nominee of their choice in his place or stead.

<u>Name</u>	<u>Position held with the Company</u>	<u>First elected a director</u>	<u>Shares beneficially owned, directly or indirectly</u>
Nathan Goodman	Chairman of the Board and a Director	1965	123,250
Irving Birrell Goodman	President, Treasurer and a Director	1965	120,250
William Franklin Purves	Director	1965	200
Harry Louis Mendelson, Q.C.	Director	1965	none
Winfield Aloysius Green	Director	1967	300

Messrs. Nathan Goodman and Irving Birrell Goodman have for more than five years been directors of the Company and of predecessor companies. From November 1963 to November 1964 Mr. Purves was President and a director of Weatherhead Company of Canada Limited, automotive parts manufacturer, from January 1965 to



December 1967 Mr. Purves was an employee of Aimco Automotive Industries. Prior to September 1965, Mr. Green was Financial Vice-President of Tree Pickle Company Inc., a food processor, and since that date Mr. Green has been employed by Aimco Automotive Industries of Buffalo, Inc. Mr. Mendelson has for more than five years been senior partner of the law firm of Messrs. Mendelson, Beatty & Wood. An associate of one of the directors beneficially owns 500 shares of the Company.

Remuneration of Management

The aggregate direct remuneration paid by the Company and its subsidiaries to the directors and senior officers of the Company as such during the fiscal year ended July 31, 1968 was \$217,345.

Stock Options

Pursuant to the Company's employee stock option plan adopted on December 19, 1967, options to purchase 1,500 shares in the aggregate have been granted to Messrs. Purves and Green, directors of the Company, at the price of \$5.00 per share. At the time of granting such options there was no public market for the shares of the Company, however, the said price was the same as the price at which shares of the Company were sold to underwriters.

Interest of Management and Others in Material Transactions

The Company under an agreement dated as of August 1, 1967 purchased with effect from that date from Nathan Goodman, Irving Birrell Goodman, Carl Goodman, Samuel Goodman and Milton Goodman all of the assets of the partnership business carried on by them under the name Aimco Automotive Industries, including all of the outstanding shares of Aimco Automotive Industries of Buffalo, Inc. The consideration for the purchase of the said assets consisted of the assumption by the Company of all of the liabilities of the partnership at the close of business on July 31, 1967, which included indebtedness of the partnership to the vendors in the aggregate amount of \$300,000 for loans and advances made by the vendors to the partnership, and the issuance to the vendors of 410,000 fully paid and non-assessable shares of the Company. The said shares were issued to the vendors as follows: Nathan Goodman 103,000 (25.2%), Irving Birrell Goodman 93,250 (22.6%), Carl Goodman 75,250 (18.4%), Samuel Goodman 61,000 (14.9%) and Milton Goodman 77,500 (18.9%). The net book value of the assets so purchased by the Company, after allowing for liabilities assumed by the Company, amounted to \$944,546 and consequently the 410,000 shares issued for such assets were issued at approximately \$2.30 per share.

Under an agreement dated as of August 1, 1967 the Company agreed to purchase from Torduff Limited and Sydney Freedland in the respective portions of five-sixths and one-sixth, all of the issued and outstanding shares of 636 Babcock Street, Inc. in consideration for the allotment and issue of 10,000 fully paid and non-assessable shares of the Company. The shares of Torduff Limited were owned by Sydney Freedland and the wives of Nathan Goodman, Irving Birrell Goodman, Carl Goodman and Milton Goodman. The book value of the assets of 636 Babcock Street, Inc. amounted to \$53,585 and on such basis the said 10,000 shares were issued for approximately \$5.36 per share.

Under an agreement dated November 24, 1967, between Torduff Limited and the Company, the Company purchased from Torduff Limited the lands and buildings on which its principal plant is located for \$660,000, which was satisfied by the assumption of mortgages totalling \$269,279, the giving back of a mortgage for \$130,000 bearing interest at the rate of $7\frac{3}{4}\%$ per annum, maturing in ten years' time and the balance, subject to adjustments and the settlement of inter-company accounts, was paid in cash on January 15, 1968. The foregoing purchase price was based upon an appraisal report, dated October 5, 1967, prepared by Cooper Appraisals Limited.

The Company prior to completion of the aforesaid purchase of lands from Torduff Limited rented the same from Torduff Limited at a monthly rental of \$7,300. The Company also leases from Torduff Limited, as a monthly tenant, certain premises on Dufferin Street, Toronto, presently used by the Company's scrap metal division at a monthly rental of \$1,500.

The Company has paid legal fees to Messrs. Mendelson, Beatty & Wood of which Mr. Harry L. Mendelson, Q.C. is the senior partner.

Appointment of Auditors

The persons named in the accompanying form of proxy intend to vote for the re-appointment of Messrs. Thorne, Gunn, Helliwell & Christensen, Chartered Accountants, as auditors to hold office until the next annual meeting at a remuneration to be fixed by the board of directors.

DATED as of the 12th day of December, 1968.

BY ORDER OF THE BOARD,

SAMUEL GOODMAN,
Secretary